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ABSTRACT

Instructions and exercises on the use of checking accounts are provided for students in grades 6-12. The following topics are included: (1) reasons for opening a checking account; (2) how to open a checking account; (3) how to fill out deposit slips; (4) the elements of a check and how to write a check correctly; (5) checking account rules; (6) how to order personalized checks; (7) an explanation of service charges; (8) how to write out the amount of money in words on checks; and (9) how to use a check register. Exercises are included for interpreting and reconciling bank statements as well as for adding and subtracting money. A unit review, tests, test answers, suggestions for additional learning exercises, and a short bibliography are provided along with sample checks, deposit slips, a check register, and bank signature cards. This document is part of a collection of materials from the Iowa Area Education Agency 7 Teacher Center project. (JW)

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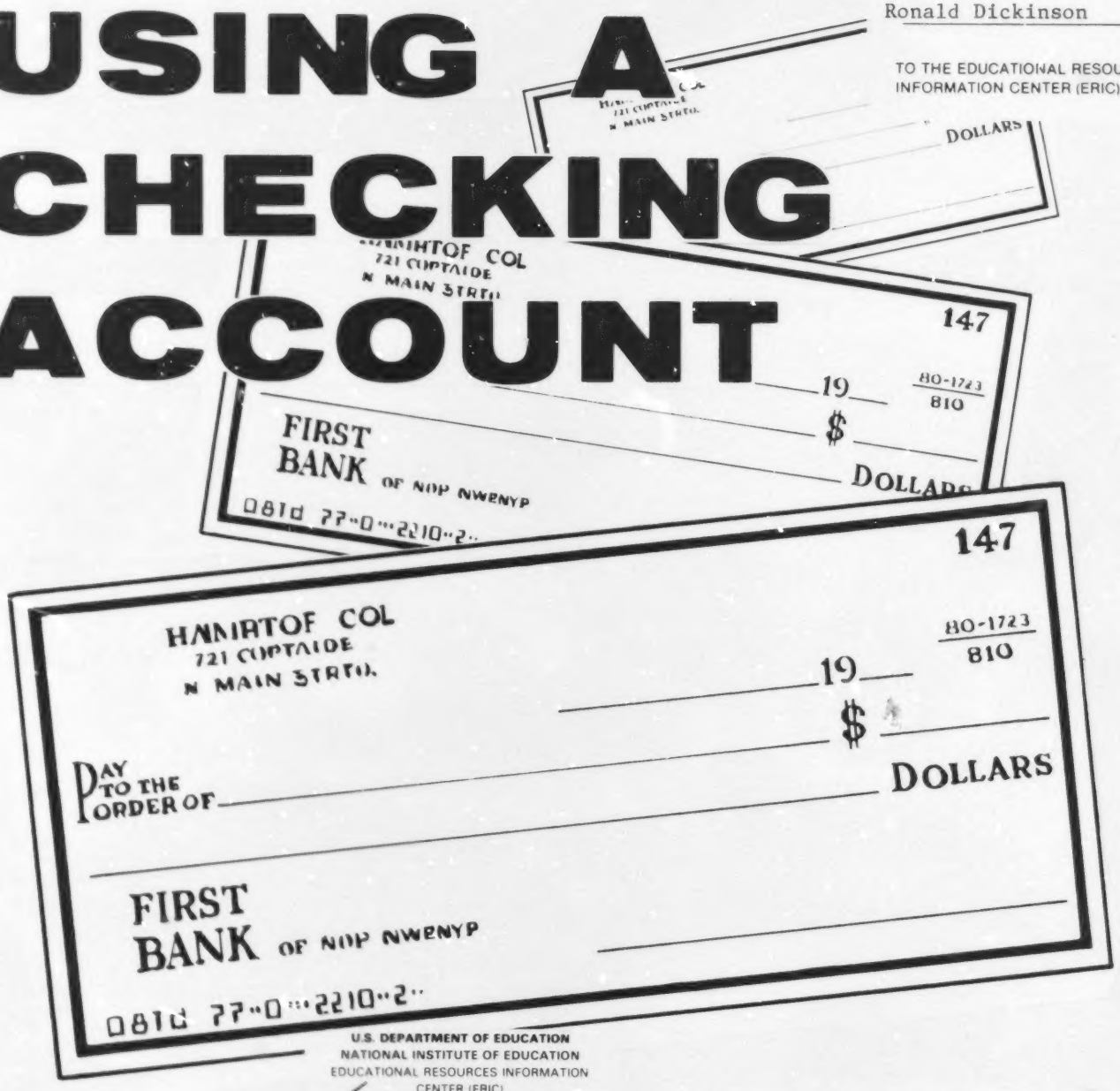
USING A CHECKING ACCOUNT



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Grades 6 - 12

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APPENDIX

- Answers to tests
- Checks
- Deposit Slips
- Deposit Register
- Signature Card

WHY HAVE A CHECKING ACCOUNT?

1. It won't be necessary to carry large amounts of cash.

2. When paying bills by mail, a check is more safe.

3. The cancelled check is your receipt that the bill has been paid.

4. Checks help you keep a record of the bills that have been paid and it makes monthly budgeting easier.

5. Money that is lost can rarely be recovered. If a check is lost or stolen, you can stop payment of the check by notifying the bank.

6. A check can be written for any amount of money on deposit in his/her checking account.

7. Checks can be cashed only when they have been endorsed properly as signed by the payee (person or company to who the check was made out).

OPENING A CHECKING ACCOUNT

There are two types of checking accounts. One is an individual checking account where only one person can legally write checks. The second type is a joint checking account where more than one person can legally write checks. Single people use the individual checking accounts and married people generally use the joint accounts. A person must fill out a signature card in order to open a checking account.

Signature Card

Fill in the signature card below using the directions given below the card.

		Account Number
(1)	Name	
(2)	Address	
(3)	Employment	(4) Signature
(5)	Employment	Signature
(6)	Account caption and address	

1. Print your name in full.
2. Print your address.
3. Put in the name and address of the place you work.
4. Write your signature as you will sign your checks.
5. If the account is joint, the other person must fill in the same information.
6. On the last three lines print the name and address the way you want it to appear on your checks.

FILLING OUT A DEPOSIT SLIP

To deposit cash or checks into your checking account, you must fill out a deposit slip.

When a person fills out a deposit for a checking account he/she should:

1. Print your name in full.
2. Print your complete address.
3. Put in your account number.
4. Be sure to put down the correct date.
5. Put the amount of paper money where CURRENCY is printed.
6. Put the amount of coins (cents) where COIN is printed.
7. List each check or checks separately in the line below where CHECKS is printed.
8. Add up the total amount of money deposited (coin, currency, and checks) and place the answer in the box that says SUB-TOTAL.
9. List the amount of currency (less cash received) that you want the bank teller to give you back.
10. Subtract the amount of money you want back from the total of above items to get the TOTAL DEPOSIT. This amount will be what you have deposited and should be put in your check register as a deposit and added to the balance on hand.

FILLING OUT A DEPOSIT SLIP

THE FIRST NATIONAL BANK
WAVERLY, IOWA

72-276
739

Checks and other items are received for deposit subject to the terms and conditions of this bank's collection agreement.

Date: Sept. 4-79

ACCOUNT NUMBER: 176-39-7

List all checks individually. More space is provided on reverse side.

ACCOUNT NAME: John Black
2136 Greenfield
Waverly, Iowa
50677

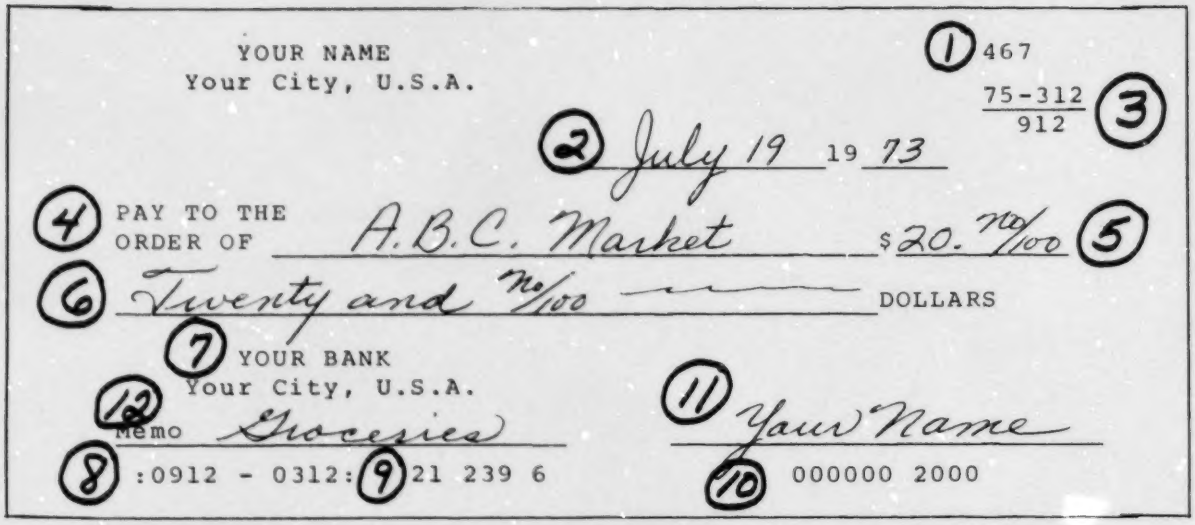
⑆073902766⑆

DESCRIPTION	DOLLARS	CENTS
CURRENCY	60	00
COIN	26	03
CHECKS	106	42
	78	93
SUB-TOTAL	271	58
CASH RETURNED	65	00
Customer Sign to Acknowledge Receipt TOTAL DEPOSIT $	206	38

DIRECTIONS: Answer the following questions using the deposit ticket above.

1. Give the date Mr. Black filled out this deposit slip _____.
2. What is Mr. Black's account number? _____
3. How much was deposited in CURRENCY? _____
   COINS? _____ CHECKS? _____
4. How many checks were deposited? _____
5. How much cash (currency) did Mr. Black want the bank teller to give back to him? _____
6. What was the total amount of this deposit? _____

THE ANATOMY OF A CHECK



Most banks will have you put your name and address in the upper left hand corner.

1. Check Number. If your checks are not numbered it is wise to number them starting with 101, 102, 103, etc. Numbering checks helps to identify checks in case they are stolen or lost. It helps you in keeping a record.
2. Date of check.
3. Bank identification number.
4. Payee.
5. Amount of check (in figures).
6. Amount of check (in words).
7. Bank on which check is drawn.
8. Bank identification number magnetically printed for electronic processing.
9. Customer account number magnetically printed for electronic processing.
10. Amount of check magnetically printed for electronic processing.
11. Signature of drawer.
12. The reason the check is written.

WRITING A CHECK

YOUR NAME
Your City, U.S.A.

467

75-312
912

(1) July 19 19 73

PAY TO THE ORDER OF (2) A.B.C. Market $ 20. NO/100 (3)

(4) Twenty and NO/100 DOLLARS

YOUR BANK
Your City, U.S.A.

(6) Memo Groceries

(5) Your Name

:0912 - 0312: 21 239 6

1. What is the check number? _____

2. On what date was the check written? _____

3. What is the name of the bank? _____

4. Who is the payee (the person or company to whom the check is written)? _____

5. What is the amount of the check? _____

6. Why do you think the amount of the check is printed and written?

_____

_____

_____

7. What is the account number on the check? _____

8. Who wrote the check? _____

CHECKING ACCOUNT RULES

1. Write all words clearly and neatly and always use ink.

2. Make sure your checks are numbered in order. Begin with the number 101. Numbering checks helps to identify checks in case they are lost or stolen. It also helps to keep a person's checking account record in order.

3. Always write the correct date on each check you write.

4. Write the amount in numbers close to the dollar sign.

   Example: $29 13/100 Not this: $ 29 13/100

5. Do not try to erase figures on a check if you make a mistake. Write a new check.

6. Sign your name on all banking forms the same way you signed it on the signature card.

7. If you lose a check contact the bank and ask them to stop payment on it.

8. Don't write a check for more money than you have in the bank. You will be charged a fee and the check can't be cashed.

9. The customer account number is magnetically printed so do not cross it out and put another number. Only the magnetically printed number will be processed. The wrong account will be paying the check.

ORDERING PERSONALIZED CHECKS

When a person opens a checking account, you can order personalized checks with your name and address on them. An order of personalized checks consists of 200 checks with deposit slips, a check register, and a leather check case to hold the chedks and the check register. You must pay a charge for the personalized checks. In the check register you must deduct this charge from the balance when you receive your personalized checks.

SERVICE CHARGE

A person may pay a service charge for maintaining a checking account. This includes the cost for making deposits, writing checks, and receiving a bank statement each month. The bank will record this service charge on the monthly statement and deduct this service charge from the checking account balance.

You may want to have a free personal checking account. Many banks will give a person free checking if the individual maintains a certain amount in his/her account. Should the individual drop below this amount a charge will be made by the bank.

WRITING OUT THE AMOUNT OF MONEY IN WORDS

When a person writes a check, he must write out the amount of money in words as well as write the amount in numerical figures. Here are the numbers you must know how to write out:

one	eleven	ten
two	twelve	twenty
three	thirteen	thirty
four	fourteen	forty
five	fifteen	fifty
six	sixteen	sixty
seven	seventeen	seventy
eight	eighteen	eighty
nine	nineteen	ninety
ten	twenty	one hundred

Put a hyphen (-) bewteen compound numbers from twenty-one to ninety-nine.

twenty-three	thirty-five	forty-nine
fifty-seven	sixty-two	seventy-eight
eighty-four	thirty-six	ninety-three

Do not use a hyphen (-) with numbers over one hundred. Examples:

two hundred	four hundred	six hundred
seven hundred	eight hundred	nine hundred

WRITING OUT THE AMOUNT OF MONEY IN WORDS

Directions: Write, using words, the following numbers.

1. _____	11. _____	10. _____
2. _____	12. _____	20. _____
3. _____	13. _____	30. _____
4. _____	14. _____	40. _____
5. _____	15. _____	50. _____
6. _____	16. _____	60. _____
7. _____	17. _____	70. _____
8. _____	18. _____	80. _____
9. _____	19. _____	90. _____
10. _____	20. _____	100. _____

23. _____	47. _____
34. _____	33. _____
46. _____	85. _____
87. _____	63. _____
74. _____	89. _____
93. _____	27. _____
96. _____	41. _____

100. _____	600. _____
300. _____	700. _____
400. _____	800. _____
500. _____	900. _____

WRITING OUT THE AMOUNT OF MONEY ON A CHECK

Directions: Write, in words, the amount of money the way you would if you were writing a check.

Example: $21.63 Twenty-one and 63/100 DOLLARS

1. $ 6.50 _____ DOLLARS

2. $ 1.32 _____ DOLLARS

3. $ 4.85 _____ DOLLARS

4. $ 15.72 _____ DOLLARS

5. $ 25.34 _____ DOLLARS

6. $ 42.86 _____ DOLLARS

7. $ 31.43 _____ DOLLARS

8. $ 58.89 _____ DOLLARS

9. $ 82.43 _____ DOLLARS

10. $ 77.14 _____ DOLLARS

11. $ 66.90 _____ DOLLARS

12. $ 18.59 _____ DOLLARS

13. $ 26.08 _____ DOLLARS

14. $124.76 _____ DOLLARS

15. $232.18 _____ DOLLARS

16. $406.21 _____ DOLLARS

EXERCISE: USING A CHECK REGISTER

DIRECTIONS: Record the following checkbook entries in the check register. Be sure to figure out the new checking balance each time you make an entry on a line.

1. Made a deposit on June 1, 19--, for $212.43. This entry has been recorded on line 1.

2. Wrote check no. 131 on June 1, 19--, to the Golden Oak Apartments for $145.00. Record this entry on line 2.

3. Wrote check no. 132 on June 2, 19--, to the Michigan Telephone Company for $5.80. Tecord this entry on line 3.

4. Wrote check no. 133 on June 4, 19--, to Tracy's Department Store for $47.21. Tecord this entry on line 4.

5. Made a deposit on June 7, 19--, for $202.36. Record this entry on line 5.

6. Wrote check no 134 on June 7, 19--, to Dr. Herman Schiff for $36.00. Record this entry on line 6.

7. Wrote check no 135 on June 10, 19--, to Central Appliance for $78.51. Record this entry on line 7.

8. Wrote check no. 136 on June 12, 19--, to The Fashion Center for $30.11. Record this entry on line 8.

9. Wrote check no. 137 on June 13, 19--, to the Big "V" Supermarket for $38.43. Record this entry on line 9.

10. Made a deposit on June 14, 19--, for $199.51. Record this entry on line 10.

11. Wrote check no. 138 on June 14, 19--, to the Somerset Pharmacy for $12.43. Record this entry on line 11.

12. Wrote check no. 139 on June 15, 19--, to Harriet Berg for $15.00.. Record this entry on line 12.

13. Wrote check no. 140 on June 16, 19--, to Morry's Service Station for $30.43. Record this entry on line 13.

14. Wrote check no. 141 on June 18, 19--, to Mutual Insurance Company for $150.50. Record this entry on line 14.

15. Made a deposit on June 21, 19--, for $75.00. Record this entry on line 15.

16. Wrote check no. 142 on June 22, 19--, to Samco Oil Company for $28.35. Record this entry on line 16.

17. Wrote check no. 143 on June 23, 19--, to K & R Television Service for $19.50. Record this entry on line 17.

18. Wrote check no. 144 on June 24, 19--, to E.B. Fox Company for $43.89. Record this entry on line 18.

Name _____

CHECK REGISTER

	Check No.	Date	Check issured to	Amount of Check	✓	Amount of Deposit	Balance 27 40
(1)		6/1	Deposit			212 43	239 83
(2)							
(3)							
(4)							
(5)							

EXERCISE: USING A CHECK REGISTER

DIRECTIONS: Record the following checkbook entries in the check register. Be sure to figure out the new checking account balance each time you make an entry.

1. Make a deposit on Octover], 19--, for $233.89. Record this entry on line 1.

2. Wrote check no 212 on October 1, 19--, to Harvard Square Apartments for $150.00.

3. Wrote check no 213 on October 1, 19--. to Michigan Telephone Company for $5.94.

4. Wrote check no 214 on October 2, 19--, to the Detroit Electric Company for $11.89.

5. Wrote check no. 215 on October 4, 19--, to Reed's Department Store for $24.48.

6. Made a deposit on October 8, 19--, for $187.54.

7. Wrote check no. 216 on October 8, 19--, to the Super King Market for $29.76.

8. Wrote check no. 217 on October 9, 19--, to Peerless Deluxe Cleaners for $16.80.

9. Wrote check no. 218 on October 10, 19--, to the Samco Oil Company for $23.88.

10. Wrote check no. 219 on October 12, 19--, to Suburban Stereo Sales for $139.87.

11. Made a deposit on October 15, 19--, for $193.48.

12. Wrote check no 220 on October 16, 19--, to Dr. Edward Kroll for $76.00.

13. Wrote check no 221 on October 17, 19--, to the Super King Market for $29.87.

14. Wrote check no. 222 on October 18, 19--, to Ace Automobile Service for $38.47.

15. Wrote check no 223 on October 20, 19--, to Vicky Gorov for $22.00

16. Made a deposit on October 22, 19--, for $94.00.

17. Wrote check no. 224 on October 23, 19--, to the Central Hardware Company for $38.43.

18. Wrote check no 225 on October 24, 19--, to Somerset Pharmacy for $11.89.

EXERCISE: USING A DEPOSIT SLIP, WRITING CHECKS AND FILLING OUT A CHECK REGISTER

Directions: Fill out the following deposit slips and checks for Marilyn Green. Record each deposit and check written in the check register. You will need to know the following information:

Address: 2134 Carol, Your city, state and zip code
Account Number: 0031-1142-2

1. Marilyn Green is making the following deposit for April 1, 19--:
   A. She is depositing $15.00 in currency, $58.00 in coin, and a check for $80.42.
   B. Fill out a deposit slip.
   C. Record this deposit in the check register.
   D. Add the amount of this deposit to the balance in Column H.
2. Marilyn Green is writing check no. 144 for April 2, 19--, to Donald Carson for $30.00 for a dental examination.
   A. Put this information on line 2 of the check register.
   B. Figure out Marilyn Green's new balance. Record this in Column H.
   C. Wrtie out check no. 144 for April 2, 19--, to Dr. Donald Carson for $30.00 and sign it "Marilyn Green."
3. Marilyn Green is writing check no 145 for April 13, 19--, to the Miller Optical Company in the amount of $25.14 for glasses.
   A. Put this information in the check register line 3.
   B. Figure out Marilyn Green's new balance. Record it in her check register under Column H.
   C. Write out check no 145 for April 13, 19--, to the Miller Optical Company for $25.14 and sign it "Marilyn Green.
4. Marilyn Green is making the following deposit on April 8, 19--:
   A. She is depositing a check for $80.45 and $.55 in coin.
   B. She wants the bank teller to give her back $40.00 in cash.
   C. Fill out a deposit slip.
   D. Record this deposit in the check register.
   E. Figure out the new balance and record it in the check register.

5. Marilyn Green is writing check no. 146 for April 9, 19--, to Simon Jewelers in the amount of $41.23 for a watch.

   A. Put this information in the check register.

   B. Figure out Marilyn Green's new balance. Record this amount in Column H.

   C. Write check no. 146 for April 9 . 19--, to the Simon Clark Jewelers for $41.23 and sign it "Marilyn Green".

6. Marilyn Green is writing check no 147 on April 10, 19--, to the Somerset Pharmacy in the amount of $8.31 for medicine.

   A. Put this information in the check register.

   B. Figure out marilyn Green's new balance and record it in Column H.

   C. Write check no 147 for April 10, 19--, to the Somerset Pharmacy for $8.31 and sign it "Marilyn Green".

7. Marilyn Green is making the following deposit on April 15, 19--:

   A. She is depositing a check for $80.42.

   B. She wants the bank teller to give her back $25.00 in cash.

   C. Fill out the deposit slip.

   D. Record this deposit in the check register.

   E. Figure out the new balance and receod it in the check register in Column H.

8. Marilyn Green is writing check no 148 for April 15, 19--, to City Bank in the amount of $62.50 for a car payment.

   A. Put this information in the check register.

   B. Figure out Marilyn Green's new balance and record it in her check register in Column H.

   C. Write check no 148 for April 15, 19--, to City Bank for $62.50 and sign it "Marilyn Green".

9. Marilyn Green is making the following deposit for April 22, 19--:

   A. She is depositing $10.00 in currency, $.51 in coin, and a check for $80.00.

   B. Fill out a deposit slip.

   C. Record the deposit in the check register.

   D. Figure out the new balance and record it in the check register in Column H.

EXERCISE: USING A CHECK BOOK

Directions: Fill in a deposit slip and ched for yourself. Record each deposit and check written in your check register. Sign your name on each check you write.

1. You are making the following deposit on March 1, 19--:
   A. You are depositing $22.00 in currency, $75.00 in coin, and a check for $130.56.
   B. Fill in a deposit slip.
   C. Record this deposit in your check register.
   D. Figure the new balance and record it in your check register.

2. You are writing check no. 101 for $72.50 on March 1, 19--, to the Citizen's Credit Union for car payment.
   A. Record this information in your check register.
   B. Figure your new balance and record it in your check register.
   C. Write check no.101 on March 1, 19--, to the Citizen's Credit Union for $72.50 and sign your name.

3. You are writing check no. 102 for $29.32 on March 2, 19--, to Damco Oil Company for payment of a bill.
   A. Record this information in your check register.
   B. Figure your new balance. Record it in your check register.
   C. Write check no. 102 on March 2, 19--, to the Damco Oil Company for $29.32 and sign your name.

4. You are writing check no. 103 for $34.00 on March 5, 19--, to Dr. Robert Clark for dental examination.
   A. Record this information in your check register.
   B. Figure your new balance. Record it in your check register.
   C. Write check no. 103 on March 5, 19--, to Dr. Robert Clark for $34.00 and sign your name.

5. You are making the following deposit on March 8, 19--:
   A. You are depositing a check for $121.43.
   B. You want the bank teller to give you $40.00 in cash.
   C. Fill in a deposit slip.
   D. Record this deposit in your check register.
   E. Figure your new balance and record it in your check register.

6. You are writing check no. 104 for $43.85 on March 9, 19--, to Troy's Department Store in payment of a bill.

   A. Record this information in your check register.

   B. Figure your new balance. Record it in your check register.

   C. Write check no. 104 on March 9, 19--, to Troy's Department Store for $43.85 and sign your name.

7. You are writing check no. 105 for $19.00 on March 10, 19--, to Morris Service Station for an automobile repair.

   A. Record this information in your check register.

   B. Figure your new balance. Record this in your check register.

   C. Write check no. 105 on March 10, 19--, to Morris Service Station for $19.00 and sign your name.

8. You are stiting check no. 106 for $17.75 on March 2, 19--, to Dave's Television Service for television repair.

   A. Record this information in your check r-gister.

   B. Figure your new balance and record it in your check register.

   C. Write check no. 106 on March 12, 19--, to Dave's Television Service for $17.75 and sign your name.

9. You are making the following deposit on March 19, 19--:

   A. You are depositing $60.00 in currency, and $.25 in coin, and a check for $120.75.

   B. Fill in the deposit slip.

   C. Record this deposit in your check register.

   D. Figure your new balance and record it in your check register.

10. You are writing check no. 107 for $160.50 on March 15, 19--, to the Standard Insurance Company for payment of insurance premium.

    A. Record this information in your check register.

    B. Figure your new balance. Record it in your check register.

    C. Write check no. 107 on March 15, 19--, to the Standard Insurance Company for $160.50 and sign your name.

11. You are writing check no. 108 for $10.31 on March 16, 19--, to the Johnson Pharmacy for medicine.

    A. Record this information in your check register.

    B. Figure your new balance. Record it in your check register.

    C. Write check no. 108 on March 16, 19--, to the Johnson Pharmacy for $10.31 and sign your name.

12. You are writing check no. 109 on March 20, 19--, to the Food Center for $21.46.

    A. Record this information inyour check register.

    B. Figure your new balance. Record it in your check register.

    C. Write check no. 109 on March 20, 19--, to the Food Center for $21.46 and sign your name.

13. You are making the following deposit on March 22, 19--:

    A. You are depositing a check for $122.65.

    B. You want the bank teller to give you $25.00 in cash.

    C. Fill in a deposit slip.

    D. Record this deposit in your check register.

    E. Figure your new balance and record it in your check.

14. You are writing check no. 110 on March 23, 19--, to A.M. Ward Company for $28.11.

    A. Record this information in your check register.

    B. Figure your new balance. Record it in your check register.

    C. Write check no. 110 on March 23, 19--, to A. M. Ward Company for $28.11 and sign your name.

BANK STATEMENT

The bank sends each person with a checking account a bank statement once a month. The deposit slips and the cancelled checks paid out during the month are sent with the bank statement. The bank statement is the bank's record of the deposits made and the checks drawn against the checking account during the statement period. The bank statement contains the following information.

1. Name and address of depositor.
2. Account number.
3. Statement period.
4. Number of deposits made during the statement period.
5. Number of checks cashed during the statement period.
6. The total amount of all the deposits and other credits.
7. The total amount of all the checks that were cashed during the statement period.
8. Service Charges.
9. Present balance (the amount of money in the checking account at the end of the statement period.)

When a depositor gets his bank statement from the bank, he should compare his own record, the check register, with the bank statement. If the balance from the last check register entry and the statement period from the bank are the same, the checking account is <u>in-balance</u>. If the two do not agree, the checking account is <u>out-of-balance</u>. The person should do a reconciliation.

BANK STATEMENT

First National Bank
City, State, Zip Code

Account Number
5432-7643-8
Statement Period
7-1-78 to 7-31-78

Mr. and Mrs. John Smith
235 Madison Drive
City, State, Zip Code

NUMBER

DEPOSITS: 4 CHECKS: 16

Previous Balance	Deposits	Checks	Service Charge	Present Balance
$.00	$728.24	$597.49	$.00	$130.75

Answer the following questions about the bank statement:

1. This bank statement period was for _____ days.
2. How would you be able to check if the balance was correct? _____

   _____
3. Why was there no service charge? _____

   _____
4. What reason might there be for no previous balance?

   _____

   _____
5. How many deposits were made? _____

   How many checks were written?_____

REASONS FOR BANK STATEMENT AND CHECK REGISTER NOT BEING IN BALANCE

1. Checks written by the person may not have been cashed by the bank at the end of the statement period. These checks which do not appear on the bank statement are said to be OUTSTANDING CHECKS.

2. Deposits which were sent in the mail may not have reached the bank at the end of the statement period. These deposits which do not appear on the bank statement are said to be OUTSTANDING DEPOSITS.

3. The bank may have deducted a service charge cost from the checking account balance for the statement period.

4. The person could have made an error in arithmetic.

5. The bank could have made an error. This is why the person should contact an auditor at the bank if he cannot find the error.

If the check register balance for the end of the statement period does not agree with the bank statement balance, the following steps should be used to reconcile the check register record with the bank statement:

1. Arrange the cancelled checks in numerical order by the check number: 101, 102, 103, etc.

2. Match each check number on the cancelled check with the corresponding check number in the check register. A check mark should be placed in column E of the check register for each cancelled check received from the bank.

3. Compare the amount written on the check with the amount written in the corresponding check register entry. It's easy to accidentally write $20.06 instead of $20.60. Such an error can make a difference in the bank balance.

4. Use the reconciliation form included and learn how to correctly figure your correct bank balance.

FORM FOR RECONCILIATION

Balance in Check register $_____

Charges other than checks $_____

New Balance $_____

Deposits made since ending date on statement (add) $_____

Sub-Total $_____

Checks not listed on this statement:

Number	Amount
_____	$_____
_____	$_____
_____	$_____
_____	$_____
_____	$_____

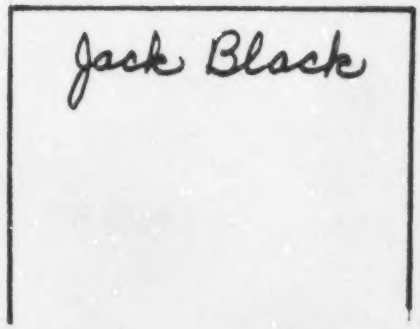
Total Checks not listed $_____

Subtract total checks not listed from Sub-Total above. Adjusted Balance $_____

FORMS OF PAYEE ENDORSEMENTS

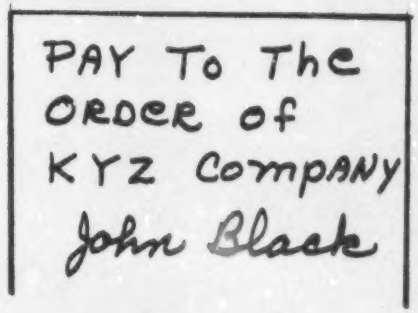
Blank Endorsement

This is an endorsement that consists only of the name of the payee. The payee should not sign the check until he/she is ready to deposit or cash the check.



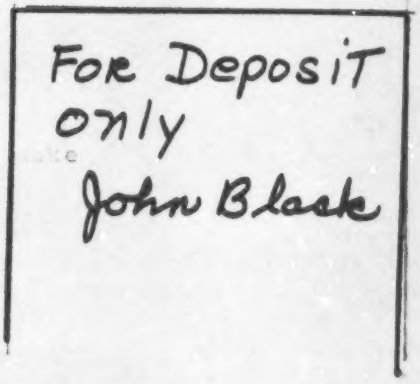
Endorsement in Full

An endorsement that states to whom the check is to be paid together with the name of the payee. This states that the check can be cashed or transferred only on the order of that person named in the endorsement.



Restrictive Endorsement

An endorsement that limits the receiver of the check as to the use he can make of the funds collected. This form is commonly used when checks are prepared for deposit.



EXERCISES FOR ENDORSING CHECKS

Look at the following checks (back side) which have been endorsed so that they can be cashed. In the space provided underneath each check write the kind of endorsement that was used to endorse the check: BLANK ENDORSEMENT, ENDORSED IN FULL, or RESTRICTIVE ENDORSEMENT.

1. Barbara A. Lewis

_____

2. Pay to the order of
Louis C. Mills
Robert Shell

_____

3. Pay to order of
Fairview Savings
and Loan for
deposit
Rita L. Wilson

_____

4. Sam B. Rose

_____

5. Pay to order of
Lacy's Dept. Store
Michael Jones

_____

6. Pay to the order of
First National Bank
for deposit
Marlene Miller

_____

7. Pay to the order
of State Bank
for deposit
Jane Berg

_____

8. Pay to order of
Ann Williams
Peter C. Marks

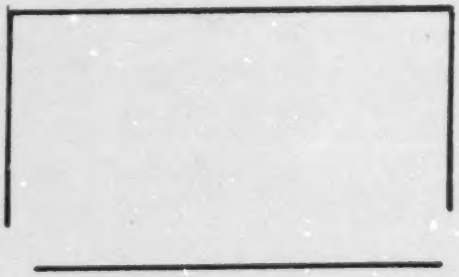
_____

EXERCISE FOR ENDORSING CHECKS

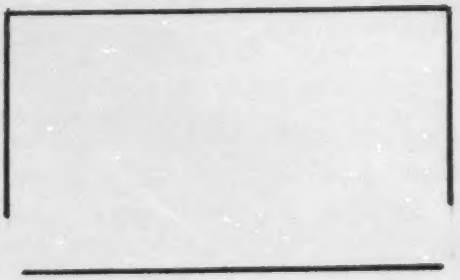
Help the following people endorse their checks so that they can cash them. In the space underneath each check, write the type of endorsement that the people used to endorse their check.

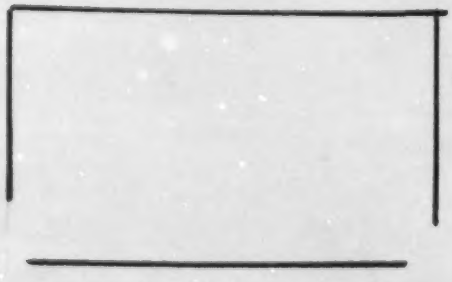
1. "Pay to the order of Ronald D. Meyers, Betty C. Gilbert."
2. "Pay to the order of the National Savings and Loan Association for deposit only, Laura Adams."
3. "Pay to the order of the R & W Market, Nancy A. Muchaels."
4. Richard G. Brown
5. "Pay to the order of the People's National Bank for deposit only, Donald E. Benson."
6. Pauline L. Richardson

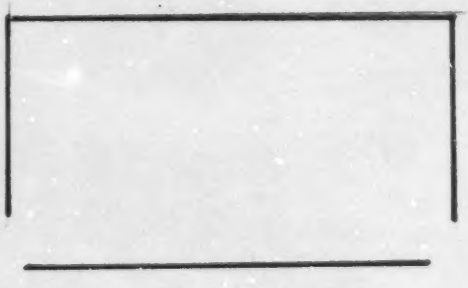
1.

2. 

3.

4. 

4. 

6. 

TRUE OR FALSE QUESTIONS

Directions: Read the following statements carefully. Write TRUE in front of a statement if it is true. Write FALSE in front of a statement if it is false.

_____ 1. A check cannot be used as proof of payment for a bill.

_____ 2. The amount of the check in numerical figures must be exactly the same as the amount of money written in words.

_____ 3. If you lose a check after you have signed the back of the check with a restrictive endorsement, the person who finds the check can cash it by adding his signature after your signature.

_____ 4. Your checking account balance becomes smaller after you write a check.

_____ 5. Reconciling a checking account helps you compare your checking account balance with the bank statement at the end of the statement period.

_____ 6. It is a good idea to sign the checks in your checkbook ahead of time so that you can save time when you write checks.

_____ 7. Your checking account balance becomes larger after you make a deposit.

_____ 8. You should not keep your cancelled checks after you reconcile your checking account at the end of the statement period.

_____ 9. The check register is the bank's record of the deposits made and checks written by a depositor.

_____ 10. The service charge is a cost you may pay for using a checking account.

_____ 11. Another person cannot cash your lost check if you used a blank endorsement when you signed the back of the check.

_____ 12. To figure your new balance in your checking account after you write a check, you should subtract the amount of the check from your balance in the check register before you write the check.

REVIEW: WHAT HAVE YOU LEARNED?

Directions: Read the questions carefully. Then write the answer in the spaces provided.

1. What is a checking account?

2. What are the advantages for having a checking account?

3. Name and describe the typ types of checking accounts:

   A.

   B.

4. What is the name of the form a person completes when he opens a checking account?

5. Name the form a person completes when he puts cash or checks into his checking account.

6. What does a person use to keep a record of the deposits he makes and each check he writes from the checking account?

7. What information should the person put in his check register when he writes a check?

   A.

   B.

   C.

   D.

   E.

8. What information should the person put in his check register when he makes a deposit?

9. Name six items which should be written on a check when it is filled in.

10. Name the three ways to endorse a check.

11. Which of the endorsements is the best? Why?

12. What is a bank statement?

13. How often is the bank statement mailed to the depositor?

14. What information is included on the bank statement?

15. What is an outstanding check?

16. What is an outstanding deposit?

17. What is a service charge?

18. How do some banks make it possible for a depositor not to pay a service charge on their checking accounts?

19. What happens if a depositor writes a check and he/she does not have the funds in his checking account to cover the amount of the check?

20. Give the five reasons why the check register balance and the bank statement balance may not agree at the end of the statement period? (Use other side of paper if necessary).

REVIEW QUIZ:

Directions: Fill in the blank in each sentence with the correct word(s) from the word list below.

Word List

payee	full endorsement	bank manager
reconcile	outstanding deposit	bank statement
check	individual checking account	deposit slip
currency	restrictive endorsement	blank endorsement
signature	joint checking account	outstanding check
check register		stop payment
checking account		

1. You must fill in a _____ when you open a checking account.

2. The _____ will help you open your checking account.

3. A _____ is when only you can legally write checks from a checking account.

4. A _____ is a written order to your bank to pay money from your checking account to the person to whom you wrote the check.

5. The person or company to whom you wrote a check is the _____.

6. A _____ is when you and another person can legally write checks from a checking account.

7. You must fill in a _____ when you want to put currency or checks into your checking account.

8. The _____ is your record of the deposits you made and the checks you wrote in your checking account.

9. You can order your bank to _____ on a check if it is lost or stolen.

10. You use a _____ (type of endorsement) when you sign your complete name at the top part of the back side of the check before you cash or deposit your check.

11. The bank does not pay your interest for having a _____.

12. You should use a _____ (type of endorsement) when you want to deposit a check into your savings account or checking account by mail.

13. The bank sends you a _____ once a month which gives you your checking account balance at the end of the statement period.

14. You should use a _____(type of endorsement) when you want the payment of the check made to a particular company or person.

15. You should _____ the last balance from your check register for the statement period with the bank statement.

16. A _____ is a deposit which did not reach the bank at the end of the statement period.

17. A _____ is a check written by you which has not yet been cashed by your bank.

MATCHING EXERCISE: Put the correct Letter in the blank.

_____]. Check register

_____ 2. depositor

_____ 3. in-balance

_____ 4. endorse

_____ 5. reconcile

_____ 6. service charge

_____ 7. out-of-balance

A. To make the last check register balance for a statement period agree with the statement balance.

B. The cost you may pay for having a checking account.

C. Your check register balance does not agree with the bank's record.

D. Your own record of your deposits and checks you write.

E. Your check register balance agrees with the bank's record.

F. A person who puts checks or currency into his checking account.

G. To write your signature at the top part of the back side of a check so that it can be cashed.

ADDING AND SUBTRACTING MONEY

A person must be accurate in addition and subtraction when keeping records of deposits made and checks written on a checking account. If a mistake is made in addition or subtraction, the balance in the check register will not balance with the balance at the end of the statement period.

Directions: Do the following problems for practice. Check each answer.

(1) $134.29 − 18.40

(2) $75.14 + 136.21

(3) $304.23 + 97.89

(4) $207.50 − 148.75

(5) $161.49 + 238.20

(6) $101.29 + 88.95

(7) $275.45 − 258.48

(8) $285.74 + 109.26

(9) $199.27 − 89.78

(10) $300.50 − 172.49

(11) $62.09 + 129.52

(12) $407.36 − 352.18

(13) $310.99 + 79.24

(14) $175.30 − 94.91

(15) $215.65 + 39.49

(16) $523.75 − 352.40

(17) $130.57 + 183.46

(18) $250.10 − 187.10

ADDING AND SUBTRACTING MONEY

ANSWER KEY

(1) $115.89	(2) $211.35	(3) $402.12
(4) $ 58.75	(5) $399.69	(6) $190.24
(7) $ 16.97	(8) $395.00	(9) $109.49
(10) $128.01	(11) $191.61	(12) $ 55.18
(13) $390.23	(14) $80.39	(15) $255.14
(16) $171.35	(17) $314.03	(18) $ 63.00

ADDITIONAL SUGGESTIONS

1. Suggestion from Real Life Math (game)

   Have each student choose a business. Have them send bills to some of the other members of the class. These students then can put into practice writing checks, making out deposit slips and keeping a check register. A classroom aide could act as the banker. Monthly statements could be sent to students requiring them to make sure their checking account was in-balance.

   After doing the check register, a calculator could be used to check their additiona and subtraction.

2. This unit can be expanded to borrowing money, saving account, monthly payments, mortgages, using certified checks, use of passbook, credit unions, etc.

3. The local banks are very helpful. You can get several kinds of booklets and also some materials for a bulletin board. Someone will come and speak to your class.

BIBLIOGRAPHY

Parsky, Larry M. Mathematics for Banking. (1974) Marfex Associates Ind., 90 Cherry Street, Johnstown, Pa. 15902.

Rudolph, William B. and Claassen, A.D., The Calculator Book. Houghton Mifflin Company, Boston (1976). (This book was not used in this unit but it does have some good ideas.)

Wool, John D., The Bank Book. Frank E. Richards Publishing Company, Inc. (Available at UNI Curriculum Lab)

My Local Bank:
- Checks
- Deposit slips
- Signature cards

Booklets:
- The ABC's of Money Management for Young People
- How Banks Serve America
- Checkbook Management

ANSWERS TO TESTS

Fill in the Blanks:

1. signature card
2. bank manager
3. Individual checking account
4. check
5. payee
6. joint checking account
7. deposit slip
8. check register
9. stop payment
10. blank endorsement
11. checking account
12. restrictive endorsement
13. bank statement
14. full endorsement
15. reconcile
16. outstanding deposit
17. outstanding check

Matching:

E 1.
G 2.
F 3.
H 4.
A 5.
B 6.
C 7.

TRUE OR FALSE

1. False
2. True
3. False
4. True
5. True
6. False
7. True
8. False
9. False
10. True
11. False
12. True

SAMPLE CHECKS

No. _____

_____ 19____

PAY TO THE
ORDER OF _____ $_____

_____ DOLLARS

STATE BANK
City, State

Memo _____ _____

No. _____

_____ 19____

PAY TO THE
ORDER OF _____ $_____

_____ DOLLARS

STATE BANK
City, State

Memo _____ _____

No. _____

_____ 19____

PAY TO THE
ORDER OF _____ $_____

_____ DOLLARS

STATE BANK
City, State

Memo _____ _____

DEPOSIT SLIPS

NATIONAL BANK
City, State

Date

Account Number

Account Name

CURRENCY		
COIN		
CHECKS		
Total of above items: Sub-Total		
Less Cash Received		
Amount of Deposit		

NATIONAL BANK
City, State

Date

Account Number

Account Name

CURRENCY		
COIN		
CHECKS		
Total of above items: Sub-Total		
Less Cash Received		
Amount of Deposit		

NATIONAL BANK
City, State

Date

Account Number

Account Name

CURRENCY		
COIN		
CHECKS		
Total of above items: Sub-Total		
Less Cash Received		
Amount of Deposit		

Name _____ _____

CHECK REGISTER

	B	C	D	E	F	G	H
	Check No.	Date	Check Issued To	Amount of Check		Amount of Deposit	Balance
(1)							
(2)							
(3)							
(4)							
(5)							

SIGNATURE CARDS

	Account Number
Name	
Employment	Signature
Employment	Signature
Account Caption and Address _____ _____ _____	

	Account Number
Name	
Employment	Signature
Employment	Signature
Account Caption and Address _____ _____ _____	

	Account Number
Name	
Employment	Signature
Employment	Signature
Account Caption and Address _____ _____ _____	